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SECTION C. DIRECT LOANS

4280.161 Direct loan process.

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SECTION D. COMBINED FUNDING

4280.193 Combined funding.

4280.194-4280.199 [Reserved]

4280.200 OMB control number.

APPENDIX A TO PART 4280-TECHNICAL RE-PORTS FOR PROJECTS WITH TOTAL ELIGI-BLE PROJECT COSTS OF \$200,000 OR LESS

APPENDIX B TO PART 4280-TECHNICAL RE-PORTS FOR PROJECTS WITH TOTAL ELIGI-BLE PROJECT COSTS OF GREATER THAN

SOURCE: 70 FR 41303, July 18, 2005, unless otherwise noted.

Subpart A [Reserved]

Subpart B—Renewable Energy Systems and Energy Efficiency **Improvements Program**

§ 4280.102

§ 4280.101 Purpose.

(a) The purpose of this subpart is to provide financial assistance to agricultural producers and rural small businesses for the purpose of purchasing and installing renewable energy systems and energy efficiency improvements in rural areas. Financial assistance to any single entity may be provided as a direct loan, guaranteed loan or grant, or a combination of a loan and grant. This subpart contains the procedures and requirements for providing such financial assistance.

(b) The Agency will allocate funds between the direct, guaranteed, and grant programs each year, including any other terms such as the transfer of funds between these allocations.

§ 4280.102 General.

(a) Sections 4280.103 through 4280.106 discuss definitions, exception authority, appeals, and conflict of interest, which are applicable to all of the funding programs under this subpart.

(b) Eligibility is discussed in terms of both applicants and projects. Section 4280.107 contains the eligibility requirements for applicants and §4280.108 contains the eligibility requirements for projects.

(c) Section A, §§ 4280.109 through discusses grants. 4280.117, Section 4280.109 discusses the circumstances under which an applicant may qualify to submit a simplified application for a grant. Sections 4280.110 through 4280.114 address grant funding, grant application procedures, required documentation, the evaluation process, and postgrant Federal requirements for both the simplified and full application processes. Sections 4280.115 through 4280.117 address project planning, development, and completion as related to grant servicing.

(d) Section B, §§ 4280.121 through 4280.160, discusses guaranteed loans. Sections 4280.121 through 4280.126 discuss procedures and requirements for

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making and processing loans guaranteed by the Agency. Section 4280.128 addresses the application and documentation requirements, separating the requirements for loans over \$600,000 and for loans of \$600,000 or less. Section 4280.129 addresses the evaluation of guaranteed loan applications. Sections 4280.130 through 4280.160 provide guaranteed loan origination and servicing These requirements requirements. apply to lenders, holders, and other parties involved in making, guaranteeing, holding, servicing, or liquidating such loans.

(e) Section D presents the process by which the Agency will make direct loans.

(f) Section E presents the process by which the Agency will make combined loan and grant funding available.

(g) Appendix A contains the Technical Report requirements for projects with total eligible project costs of \$200,000 or less and Appendix B contains the Technical Report requirements for projects with total eligible project costs greater than \$200,000.

$\S 4280.103$ Definitions.

Terms used in this subpart are defined in either §4279.2 of this chapter or in this section. If a term is defined in both §4279.2 and this section, it will have, for purposes of this subpart only, the meaning given in this section.

Agency. The Rural Business-Cooperative Service or successor Agency assigned by the Secretary of Agriculture to administer the 9006 program. References to the National Office, Finance Office, State Office, or other Agency offices or officials should be read as prefaced by "Agency" or "Rural Development" as applicable.

Agricultural producer. An individual or entity directly engaged in the production of agricultural products, including crops (including farming); livestock (including ranching); forestry products; hydroponics; nursery stock; or aquaculture, whereby 50 percent or greater of their gross income is derived from the operations.

Anaerobic digester project. A renewable energy system that uses animal waste and other organic substrates to produce thermal or electrical energy via anaerobic digestion.

Annual receipts. The total income or gross income (sole proprietorship) plus cost of goods sold.

Applicant. The agricultural producer or rural small business that is seeking a grant, guaranteed loan, or direct loan, or a combination of a grant and loan, under this subpart.

Assignment guarantee agreement (Form RD 4279-6) or successor form. A signed agreement among the Agency, the lender, and the holder containing the terms and conditions of an assignment of a guaranteed portion of a loan.

Bioenergy project. A renewable energy system that produces fuel, thermal energy, or electric power from a biomass source, other than an anaerobic digester project.

Biogas. Biomass converted to gaseous fuels.

Biomass. Any organic material that is available on a renewable or recurring basis, including agricultural crops; trees grown for energy production; wood waste and wood residues; plants, including aquatic plants and grasses; fibers; animal waste and other waste materials; and fats, oils, and greases, including recycled fats, oils, and greases. It does not include paper that is commonly recycled or unsegregated solid waste.

Borrower. Any party or parties liable for a direct or guaranteed loan made under this subpart except guarantors.

Capacity. The maximum load that an apparatus or heating unit is able to meet on a sustained basis as rated by the manufacturer.

Commercially available. A system that has a proven operating history specific to the proposed application. Such a system is based on established design, and installation procedures and practices. Professional service providers, trades, large construction equipment providers, and labor are familiar with installation procedures and practices. Proprietary and balance of system equipment and spare parts are readily available. Service is readily available to properly maintain and operate the system. An established warranty exists for parts, labor, and performance.

Conditional Commitment (Form RD 4279-3) or successor form. Agency notice to the lender that the loan guarantee is approved subject to the completion of